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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

In the Matter of)
)
Implementation of Section 22) MM Docket No. 92-261
of the Cable Television)
Consumer Protection and)
Competition Act of 1992)

Equal Employment Opportunities

To: The Commission

COMMENTS OF
CONSORTIUM OF SMALL CABLE SYSTEM OPERATORS

The Consortium of Small Cable System Operators (the "Consortium")¹, by its attorneys and pursuant to Sections 1.45 and 1.419 of the Commission's Rules, hereby submits its Comments² in response to the above-captioned Notice of Proposed Rule Making ("NPRM"), which seeks comment on the implementation of the Equal Employment Opportunities ("EEO") provisions of the Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act" or "Act").³

Section 22 of the Cable Act requires the Commission to collect more specific employment data from cable entities, including separate information on the job title of each employee listed within various prescribed job categories. The Act also expands the

¹ Attached hereto as Exhibit 1 is a list of the Consortium's members.

² A copy of these Comments is being served on the FCC's new Small Business Office, for consideration pursuant to the Regulatory Flexibility Act.

³ Pub. L. 102-385, 102 Stat. (1992).

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existing "officials and managers" job category into six new job categories.⁴ The additional reporting requirements are intended to provide the Commission with further means of ensuring that employees are accurately categorized, and to improve the Commission's ability to monitor industry employment trends and to evaluate the effectiveness of its EEO rules and enforcement practices.⁵ Congress' overriding objective in enacting the EEO provisions was to increase attention to the representation of females and minorities in managerial positions within the cable industry.⁶

The Consortium's members fully support both Congress' and the Commission's efforts in the area of EEO compliance, and are themselves firmly committed to furthering the prospects for women and minorities in the management of their systems. However, when fashioning new EEO reporting requirements, the Consortium urges the Commission to bear in mind that any increase in administrative requirements affects small system operators disproportionately due to their smaller staffs and limited resources. As the Consortium has fully described in other Cable Act proceedings,⁷ its members provide cable services primarily to less affluent, sparsely populated, mostly rural areas. By their very nature, such areas offer a limited profit potential due to the higher per capita cost

⁴ See NPRM at 3.

⁵ Id.

⁶ Id.

⁷ See the Consortium's Comments in the signal carriage, tier buy-through and customer service and rate regulation proceedings.

of service. As a result of these practical limitations, small systems typically operate with slim to non-existent profit margins. Moreover, small systems generally do not have the personnel a large operator or MSO can rely on to meet additional reporting requirements. Thus, the costs and significant burdens associated with re-regulation will have a disproportionately greater impact on the small system operator.

The Commission indicates that its proposed revision of the Cable Television Annual Employment Report (FCC Form 395-A) is designed to "protect the integrity of the [FCC's] trend report... and allow for comparisons with other industries using the standardized federal format."⁸ While the Consortium appreciates the Commission's desire to create one standardized EEO form, it believes that adoption of such a rule would result in unnecessary and burdensome duplication of information. For example, the statistical data on the relevant available workforce is already provided in Section V of Form 395-A, and much of the employment profile data can be found in the Supplemental Investigation Sheet.

Consistent with Congress' directive to reduce the administrative burdens on cable operators, and in particular small system operators⁹, the Consortium urges the Commission to avoid such unnecessary duplication of information by consolidating its EEO forms and the specific informational requests within those forms, rather than supplementing the existing forms with requests

⁸ NPRM at 4.

⁹ See, e.g., NPRM at pp. 3-4, n. 31.

for much of the same information. The typical MSO, with a substantial in-house staff and an army of outside professionals at its beck and call, will not be materially affected if its EEO paperwork responsibilities multiply. In contrast, the typical small system operator is not in a position to divert scarce time and resources from operational to administrative matters. Responding to 15-plus pages of EEO data would be inordinately burdensome for small system operators. Duplication must be avoided wherever possible. If such consolidation and simplification is not feasible across the board, then at the very least the Commission should adopt more streamlined reporting procedures for small system operators in recognition of the disproportionate burden placed upon them by lengthy and overly complex reporting requirements.¹⁰

This proceeding must not be viewed in isolation. The Act's must carry/retransmission consent, customer service, tier buy-through, rate regulation and other provisions all impose substantial and costly burdens on small system operators, burdens which they are ill-equipped to handle. Absent relief, small system operators will be unable to remain in business under the combined weight of these myriad requirements.

Both Congress and the Commission have recognized that small system operators provide a vital service, delivering cable to less affluent, sparsely populated, more rural areas, typically at

¹⁰ For these purposes, the Consortium would suggest that "small cable system" be defined as an independently-owned system which has either: (a) no more than 10,000 subscribers; or (b) annual gross revenues of \$7.5 million or less.

marginal profit levels. Thrusting upon the small system operator overly complex and burdensome reporting requirements would serve only to needlessly jeopardize the continuation of cable service in rural America. Consistent with Congressional directives and its own long-standing policy, the Commission should consolidate and simplify its EEO reporting forms, avoiding wherever possible any duplication of information, or at the very least should streamline reporting requirements for small system operators.

Respectfully submitted,

**CONSORTIUM OF SMALL CABLE
SYSTEM OPERATORS**

By:



Robert J. Rini
Stephen E. Coran
Steven A. Lancellotta

February 16, 1993

Rini & Coran, P.C.
1350 Connecticut Avenue, N.W.
Suite 900
Washington, D.C. 20036
(202) 296-2007

Its Attorneys

EXHIBIT 1

Atwood Cable Systems, Inc.

B&L Cable Communications, Inc.

Belhaven Cable TV, Inc.

Clear VU Cable

Curtis Cable T.V. Co., Inc.

Eustis Telephone Exchange

Fairmont Cable TV

Full Circle TV, Inc.

Horizon Cable T.V., Inc.

Midwest Video Electronics, Inc.

Panora Cooperative Cablevision

Pioneer Cable, Inc.

Rural Missouri Cable TV, Inc.

Southwest Missouri Cable T.V., Inc.

Western Cabled Systems

CERTIFICATE OF SERVICE

I, Pamela Crocker, a secretary in the law office of Rini & Coran, P.C., hereby certify that I have on this 16th day of February , 1993, sent via hand delivery, a copy of the foregoing Comments to the following:

Commissioner James H. Quello
Federal Communications Commission
1919 M Street, N.W., Room 802
Washington, D.C. 20554

Commissioner Sherrie P. Marshall
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, D.C. 20554

Commissioner Andrew C. Barrett
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, D.C. 20554

Commissioner Ervin S. Duggan
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, D.C. 20554

John R. Winston
Office of Small Business Activities
Federal Communications Commission
1250 23rd Street, N.W.
Washington, D.C. 20554


Pamela Crocker